

## BBL and partners investing \$27 million to convert old mill in Rensselaer



By Michael DeMasi – Reporter, Albany Business Review

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**A partnership that includes one of the region’s largest commercial builders will convert buildings along the Rensselaer riverfront into market-rate apartments and commercial space that could include a restaurant and boat services.**

A dilapidated, abandoned textile mill along the Hudson River in Rensselaer will be reborn as apartments under a \$27 million preservation and redevelopment that will start this summer.

The run-down buildings of the former William Barnet & Sons Shoddy Mills fill a 6-acre slice of the riverfront on the north end of the industrial city near a park and boat launch. The mill is at the bottom of Forbes Avenue, a hilly street that zigzags through a neighborhood of small homes near The Doane Stuart School off Exit 7 of Interstate 90.

The buildings are visible from Interstate 787 on the Albany side of the river, with a large “Hilton” sign — a reference to a former owner — across the top.

It’s the latest example of an empty or little-used old commercial building drawing a big investment in the region, and relying on a range of financial sources to foot the bill. One of the critical sources in this case will be historic tax credits. Four years ago the property owners, Bath Springs Development Co. LLC of Rensselaer, applied to the National Park Service to have the buildings included in the National Register of Historic Places. That was done in October 2020.

“The nine buildings located within the William Barnet & Son Shoddy Mill Historic District are significant for their association with the upper Hudson/Capital Region’s dominant textile industry, the extended Barnet family’s contribution to this industry and representing an important and early recycling operation as a critical

spinoff industry related to textile manufacturing across the northeastern United States,” according to the application by Brian Hart of Bath Springs Development. The buildings were used by Barnet Mills until 1976. The “Hilton” sign was put there by Art Hilton, who bought the property around 1990 and once owned a chain of music stores in the state.

Hart and the other current property owners approached BBL a couple of years ago with a vision for preserving and converting the buildings into apartments, deForest said.

But the cost would have been too great to make the return on investment worthwhile. A year ago, the federal and state government authorized historic tax credits for the project. That step, deForest said, “was a green light to say this is viable.”

Another big piece of the financing puzzle was secured in October when Empire State Development approved a \$1.8 million Restore New York grant for the city of Rensselaer.

“That was huge because that showed that everybody was behind it,” deForest said. “It’s exactly what Restore is for: mixed use, blighted, historic, in danger of being torn down. Everything kind of aligned.”

The city planning commission recently approved the site plan. Then, earlier this week, the City of Rensselaer Industrial Development Agency approved a financial assistance package that includes \$2.3 million worth of property tax exemptions, sales tax exemptions of about \$940,000 and a mortgage recording tax exemption worth \$166,639. John “Jack” Bonesteel, CEO/treasurer of the IDA, said the real estate only generates about \$41,000 in property taxes today. So, even with the exemptions, the city, school district and county will still benefit significantly, he said.

The investment will resurrect the buildings and could help attract more retail development.